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1999-07-12 15:29:41
Cook County Recorder 35.00

MORTGAGE

THIS INDENTURE, made this 8 day of July 1999, by and between Morning Star Development, Corp., an Illinois corporation herein referred to as "Mortgagor," and Lisa Cook and Keith Cook, 5926 S. Indiana, Chicago, IL 60637, herein referred to as "Mortgagee," witnesseth:



8/1/99

THAT WHEREAS the Mortgagor is justly indebted to LISA COOK and KEITH COOK upon the installment note of even date herewith, in the principal sum of Eighty Thousand Dollars (\$80,000.00), payable to the order of and delivered to the Mortgagee, in and by which note the Mortgagor promises to pay the said principal sum and interest at the rate and installment as provided in said note, and at the occurrence of the events set forth therein and all of said principal and interest are made payable at such place as the Mortgagee may, from time to time, in writing appoint, and in absence of such appointment, then at the office of Flamm & Teibloom, Ltd., 300 W. Washington St., Suite 1500, Chicago, Illinois 60606.

NOW, THEREFORE, the Mortgagor to secure the payment of the said principal sum of money and said interest in accordance with the terms, provisions and limitations of this mortgage, and the performance of the covenants and agreements herein contained, by the Mortgagor to be performed, and also in consideration of the sum of One Dollar in hand paid, the receipt whereof is hereby acknowledged, do by these presents **CONVEY AND WARRANT** unto the Mortgagee, and the Mortgagee's successors and assigns, the following described Real Estate and all of their estate, right title and interest therein, situate, lying and being in the COUNTY OF COOK AND STATE OF ILLINOIS, to wit:

Lot 13 in Wentworth Subdivision of Lots 17 and 18 in Lavinia and Company's Subdivision of Garden and Cottage Lots of the South 1/4 of the Northeast 1/4 of Section 10, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

which, with the property hereinafter described, is referred to herein as the "Premises,"

P.I.N.: 20-10-232-014-0000

Address of Real Estate: 640-642 E. 51st Street, Chicago, Illinois

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are

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pledged primarily and on a parity with said real estate and not secondarily) and all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, windows shades, storm doors and windows, floor coverings, awnings, stoves and water heaters. All of the foregoing are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in the premises by Mortgagor or its successors or assigns shall be considered as constituting part of the real estate.

TO HAVE AND TO HOLD the premises unto the Mortgagee, and the Mortgagee's successors and assigns, forever, for the purposes, and upon the uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the Mortgagor does hereby expressly release and waive.

The name of a record owner is: Morning Star Development, Inc. an Illinois corporation.

COVENANTS, CONDITIONS AND PROVISIONS

1. Mortgagor shall (1) promptly repair, restore or rebuild to at least comparable condition as of the date hereof, any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (2) keep said premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof; (3) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee; (4) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof.

2. Mortgagor shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the premises when due, and shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. To prevent default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagor may desire to contest.

3. In the event of the enactment after this date of any law of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagors, or changing in any way the laws relating to the taxation of mortgages or debts

secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

4. If, by the law of the United States of America or of any state having jurisdiction in the premises, any tax is due or becomes due in respect of the issuance of the note hereby secured, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to hold harmless and agree to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against the liability incurred by reason of the imposition of any tax on the issuance of the note secured hereby.

5. At such time as the Mortgagor is not in default either under the terms of the note secured hereby or under the terms of this mortgage, the Mortgagor shall have such privilege of making prepayments on the principal of said note (in addition to the required payments) as may be provided in said note, without penalty or premium for such prepayment.

6. Mortgagor shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee, such rights to be evidenced by the standard mortgage clause to be attached to each policy. Mortgagor shall provide copies of all insurance policies to Mortgagee upon request.

7. Mortgagor and Mortgagee hereby agree that Mortgagor intends to obtain a financing loan for rehabilitation of the Premises and that such financing loan shall have priority over this mortgage and shall be denominated the senior mortgage ("Senior Mortgage"). Mortgagee acknowledges that this mortgage is junior and subordinate to the lien of the Senior Mortgage.

8. Mortgagor's covenants with respect to Senior Mortgage and related documents.

(a) Mortgagor covenants and agrees to comply with all the terms of the Senior Mortgage and any related notes or loan documents. If

Mortgagor shall default on the performance of any term or provision contained in this Mortgage or in the Note, the owner or holder of the Note may, but shall not be obligated, to pay any principle or interest due under the Senior Mortgage. To the extent that the owner and holder of the Note pays any installment of principle and interest or any other sums due under the Senior Mortgage, the said owner and holder shall become entitled to a lien on the Premises covered by this Mortgage equal in rank and priority to the Senior Mortgage, and in addition to the extent necessary to make effective such rank and priority (a) the Mortgagor shall become subrogated to receive and enjoy all the rights, liens, powers and privileges granted to the Mortgagee under the Senior Mortgage and (b) the Senior Mortgage shall remain in existence for the benefit of and to further secure the debt and other sums secured or hereafter to become secured hereunder.

(b) Mortgagor shall give Mortgagee a copy of all notices of default given Mortgagor with relation to the Senior Mortgage within five (5) days after receiving such notice.

(c) In the event Mortgagor is declared by the holder of the Senior Mortgage to be in default with respect to any requirement of the Senior Mortgage or related documents, Mortgagor agrees that said default shall constitute a default hereunder, provided however that Mortgagee fails to cure said default within thirty days after notice. Upon the occurrence of such default and after the expiration of the thirty day period, in addition to any other rights or remedies available to Mortgagee, Mortgagee may, but need not, make any payment or perform any act required to cure or attempt to cure any said default under the Senior Mortgage or any related document in any manner and form deemed expedient by Mortgagee. All monies paid by Mortgagee in curing any default under the Senior Mortgage, including attorney's fees and costs in connection therewith, shall be paid by Mortgagor to Mortgagee upon demand. Any inaction on the part of the Mortgagee shall not be construed as a waiver of any right accruing to Mortgagee on account of any defaults hereunder.

9. At or immediately prior to a closing scheduled in regard to a sale of any Condominium Unit as defined in the Note attached hereto and incorporated herein by reference, Mortgagee shall deliver to the Mortgagor instruments of release releasing from the lien of this mortgage to support such portion of the property incumbered hereby as the Mortgagor may require for the sale of the Condominium Unit at issue, provided that Mortgagor is not in default hereunder. The Mortgagee knows that the ability of the Mortgagor to procure releases promptly if, as and when the Mortgagor (or purchaser from the Mortgagor) becomes entitled to receive them is of the utmost importance. Therefore, the Mortgagee shall at all times maintain a valid authorization

authorizing Flamm & Teibloom , Ltd. to execute on behalf of both mortgagees the appropriate release documents as required by Mortgagor.

10. In case of default herein, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, and any other moneys advanced by Mortgagee to protect the mortgaged Premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the highest rate now permitted by Illinois law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagor.

11. The Mortgagee making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

12. Mortgagor shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms hereof. At the option of the Mortgagee and upon thirty days notice to Mortgagor, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the note or in this mortgage to the contrary, become due and payable.

13. When the indebtedness hereby secured shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee including attorney's fees, which may be deemed to be reasonably necessary to foreclose or sell the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable.

14. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority; First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the note, fourth, any overplus to

Mortgagor, its successors, legal representatives or assigns, as their rights may appear.

15. Upon or at any time after the filing of a complaint to foreclose this mortgage the court in which such complaint is filed may appoint a receiver of said Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and the Mortgagee may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) The indebtedness secured hereby, or by any decree foreclosing this mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (2) the deficiency in case of a sale and deficiency.

16. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the note hereby secured.

17. The Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

18. If the payment of said indebtedness or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation or release.

19. Mortgagee shall release this mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the execution of such release.

20. This mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof,

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whether or not such persons shall have executed the note or this mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the note secured hereby.

21. Notwithstanding anything herein to the contrary, no foreclosure shall be deemed authorized hereunder if it arises solely from the action or inaction of the Mortgagee. Mortgagee further agrees that Mortgagee shall take no action to interfere with Mortgagor's Senior Mortgage other than to pursue lawful remedies hereunder after due notice and thirty day cure period.

22. In the event of litigation between the parties hereto in regard to the mortgage and/or the note secured hereby, the prevailing party shall be entitled to recover its expenses including all reasonable attorney's fees.

Property of Cook County Clerk's Office

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Witness the hand . . . and seal . . . of Mortgagor the day and year first written above.

ATTEST:

Morning Star Development, Corp., an Illinois corporation

By: [Signature]
Its: PRESIDENT

State of Illinois)
) SS.
County of Cook)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Michael Stern personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal, this 8th day of July, 1999.



[Signature]
Notary Public

Further attested by mortgagees to accept obligations

[Signature]

Lisa Cook, individually and pursuant to power of attorney for Keith Cook

Signed and sworn before me this 8th day of July, 1999.

[Signature]
Notary Public



This instrument was prepared by Joel D. Teibloom, 300 W. Washington Street, Suite 1500, Chicago, IL 60606

Mail this instrument to Joel D. Teibloom, 300 W. Washington Street, Suite 1500, Chicago, IL 60606

JDT/Cook/Stern mortgage